

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**SB 1859 - HB 2215**

March 15, 2014

**SUMMARY OF BILL:** Authorizes the city of Memphis to waive all or any portion of penalties, interest, and attorney fees that are due on real property in a delinquent tax suit upon a motion by a court having jurisdiction and a finding that the property has been abandoned.

**ESTIMATED FISCAL IMPACT:**

**Other Fiscal Impact – Due to multiple unknown variables, a precise fiscal impact to local government cannot reasonably be determined; however any impact will be permissive.**

Assumptions:

- Under current law, all or any portion of penalties, interest, and attorney fees can be waived by an order of the court upon a motion and finding that the property has been determined to be environmentally hazardous, the county legislative body has determined no bid should be made on behalf of the governmental entity to which the taxes are owed, the waiver is made in conjunction with the remediation and cleanup of the property, and the circumstances giving rise to the waiver did not result from fraud or an intention to avoid payment.
- The provisions of the bill would authorize the city of Memphis to waive such fees by a finding that the property has been abandoned.
- Due to multiple unknown factors, such as the number of properties which will be determined to be abandoned, the extent of any penalties, interest, and attorney fees that will be waived, if the waiver of such fees will reduce revenue received by the city of Memphis or Shelby County or if such waiver will result in the sale of such abandoned land whereas previously the fees would have prevented such sale, a precise fiscal impact to local government cannot reasonably be determined; however any impact will be permissive.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise". The signature is fluid and cursive, with the first name "Lucian" written in a larger, more prominent script than the last name "Geise".

Lucian D. Geise, Executive Director

/jrh